

Status of Resolution of Reported Frauds

December 2001

Agency: 117

Washington State Gambling Commission

| Audit Number | Finding Number |
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| 6258 | 1 | Finding: | Public funds were misappropriated and accounting records were falsified and destroyed. |
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| | | Fraud Amount: | \$71,750 |
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| | | Recovery to Date: | \$63,280 |
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| | | Action/Status: | On December 8, 2000, the Business Operations staff discovered the first evidence that funds had been misappropriated from the Commission when an individual attempted to cash a \$10,000 warrant at a bank. The bank's inquiry and the Commission's subsequent research determined that this warrant represented a fraudulent refund. The Commission immediately notified the State Auditor's Office about this apparent irregularity and began an investigation. |
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The Gambling Commission has taken or will take the following corrective action:

- ☞ Reviewed individual's security access codes for working within the Agency Financial Reporting System.
- ☞ Reviewed the approval process for reimbursement of undercover investigative funds.
- ☞ Hired an outside party to conduct an independent review of internal controls and segregation of duties. This review will be completed by December 31, 2001.

Criminal action taken: This matter was adjudicated in September 2001.

Personnel action taken: The employee was put on administrative leave and later resigned.

Amount to be recovered: \$71,750

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